

U.S. Department of Justice

Stephen J. Murphy United States Attorney Eastern District of Michigan

Suite 2001 211 West Fort Street Detroit, Michigan 48226-3277 Fax: (313) 226-3561

For Immediate Release:

Contact: Gina Balaya (313) 226-9193

Sep 26, 2006

EVENT: Sentencing

Defendant: Walter R. Mabry et al (MRCC)

TWO UNION OFFICIALS SENTENCED TODAY ON CHARGES OF SOLICITING AND RECEIVING PROHIBITED PAYMENTS IN VIOLATION OF THE TAFT-HARTLEY ACT

Two top union officers (one current and one former) from southeastern Michigan were sentenced to terms of imprisonment today on charges of conspiring to solicit and receive and receiving prohibited payments in the form of discounts from a number of construction companies whose employees were represented by the Michigan Regional Council of Carpenters (MRCC), a labor organization based in Detroit, United States Attorney Stephen J. Murphy announced today.

Murphy was joined in the announcement by FBI Special Agent in Charge Daniel D. Roberts, of the Detroit Division, and James Vanderberg, Special Agent in Charge, Department of Labor, Office of Inspector General.

Sentenced today by United States District Judge Bernard A. Friedman were:

Walter Ralph Mabry, 61, of Grosse Pointe Park, to 24 months in federal prison, and a \$50,000.00 fine. A three-year term of supervised release to follow the term of imprisonment was also imposed by the Court. At the time of the offenses (and continuously up through today), Mabry was employed as the Executive Secretary-Treasurer of the Michigan Regional Council of Carpenters ("MRCC"), the highest position in the state-wide union; and

Anthony Michael, 64, of Macomb, to 12 months and one day in federal prison, and a fine of \$3,000.00. A two-year term of supervised release to follow the term of

imprisonment was also imposed by the Court At the time of the offenses, Michael was employed as the President and Executive Director of the MRCC, and held the second highest position in the union.

United States Attorney Stephen J. Murphy said, "Union officials, like public servants, cannot be allowed to use their position of trust to workout sweetheart deals or unearned benefits of any kind. Protecting against abuses by responsible officials is central to the enforcement of our country's historic laws regulating labor and they make up a significant element of my office's federal law enforcement mission, of which this case is a fine example."

Mabry and Michael were found guilty on February 27, 2006, after jury trial, of the offenses of receiving a prohibited payment and conspiracy to solicit and receive prohibited payments. The evidence presented at trial showed that between approximately January 1998 and December 1999, Mabry and Michael, using their union positions, conspired to solicit and obtain extraordinary discounts (that is, discounts beyond those typically given to customers) on building materials, labor, and related costs, from a number of area construction companies whose employees were members of the union, in order to reduce the cost to Mabry of constructing a new personal residence in Grosse Pointe Park, Michigan. The evidence also established that they

had engaged in the actual solicitation and receipt of a prohibited payment (discount) from one of the companies, the Nelson-Mill Company.

After sentencing, Judge Friedman ordered both Mabry and Michael to be released on bond pending appeal of their convictions and sentences.

Murphy commended the work of the agents of the Federal Bureau of Investigation and the United States Department of Labor, Office of Inspector General, Office of Labor Racketeering and Fraud Investigations. The case was prosecuted by Assistant U.S. Attorneys Walter I. Kozar and David E. Morris.